The Municipal Gazette

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MUNICIPAL NOTIFICATION.

No. 2304.

NOTICE is hereby given that, in addition to the Resolutions to be brought forward by the Council, as published in Notification No. 2303, the following will be proposed at the Annual Meeting of Ratepayers on March 22.

Amendment to Resolution V.—That after the words "together with the recommendations attached thereto" be added "provided that where the word 'six' occurs in the Opium licence recommendations the word 'three' shall be substituted."

Proposer: Edward S. Little.
Seconder: John R. Hykes.

Resolution V. (a).—That the Council be authorised to erect an additional wing already planned for the Isolation Hospital at a cost of Taels 65,000, and be authorised to use it, or such part of it as may be required, as a Tuberculosis Hospital until experience shall indicate what permanent provision may best be made, and that Taels 65,000 be added for this purpose to the amount of the Loan authorised under the preceding Resolution.

Proposer: H. Couper Patrick.
Seconder: G. E. Goode.

Amendment to Resolution VIII.—All the words after 'that' be deleted and the following substituted: "A Committee, to be called the Special Committee consisting of nine Ratepayers with power to fill vacancies, to arrange the method of procedure by which its business shall be conducted and to determine the number of members present necessary to form a quorum at any meeting, be forthwith appointed by the Chairman of this Meeting from persons nominated by the Meeting as follows, viz.: Seven Ratepayers who shall not be members of the Council or Electricity Committee, one member of the Council and one member of the Electricity Committee. The Special Committee shall forthwith consider the amended Resolution VIII passed by the Ratepayers in their Annual General Meeting 1914, together with various suggestions made this year, and issue to the Ratepayers a report, which shall include a scheme for the Municipal control of the Electricity Department, at as early a date as possible, and this Meeting shall, at the termination of the advertised business, stand adjourned to be called together three weeks after the publication of the report for the sole purpose of acting upon the same."

Proposer: Edward S. Little.
Seconder: Cecil Holliday.

By order,
W. E. LEVESON,
Secretary.

Council Room,
Shanghai, March 18, 1915.

MUNICIPAL NOTIFICATION.

No. 2305.

VOTING TICKETS.

NOTICE is hereby given that voting tickets have been forwarded to Ratepayers entitled to vote at the forthcoming Annual Meeting. Any such Ratepayer not having received his ticket is requested to be good enough to communicate with the undersigned as soon as possible.

By order,
W. E. LEVESON,
Secretary.

Council Room,
Shanghai, March 19, 1915.

Tuberculosis Hospital.

Correspondence with Dr. Patrick relative to Resolution V. *(a)*:—

Shanghai, March 10, 1915.

SIR,—I have the honour to forward to you a Resolution to be proposed at the forthcoming Annual Meeting of Ratepayers on March 22, 1915. The Resolution is in the following terms, and I enclose original signed by myself as Proposer and Dr. G. E. Goode as Seconder:

"That the Council be authorised to erect an additional wing already planned for the Isolation Hospital at a cost of Taels 65,000, and be authorised to use it, or such part of it as may be required, as a Tuberculosis Hospital until experience shall indicate what permanent provision may best be made, and that Taels 65,000 be added for this purpose to the amount of the Loan authorised under a preceding Resolution."

I shall be obliged if you will inform the Council that this Resolution is intended to assist the Council in dealing with the problem of Tuberculosis, especially as it occurs among the foreign community. The Resolution is in accordance with the suggestions made by me when speaking at last Annual Meeting of Ratepayers. If accepted by the Ratepayers it will commit the Council to no capital expenditure which has not already been foreseen, it will provide an experimental approach to a permanent plan for dealing with Tuberculosis which at the same time will not interfere with other developments of the Health Office work, and it will give that indication from the side of the general body of the Ratepayers which it is understood that the Council hold the action of the Ratepayers a year ago makes specially desirable.

The King's Daughters Society, on whose behalf this Resolution is presented by Dr. Goode and myself, are most anxious that the Council should appreciate their desire to co-operate with the Council in this matter, and therefore they request that any technical alteration which might be required in the terms of the Resolution may be indicated in order that their philanthropic endeavour may not fail of success by reason of any error on that score.

I have the honour to be,
Sir,
Your obedient servant,
H. COUPER PATRICK.

The SECRETARY,
Municipal Council.

Council Room,
Shanghai, March 13, 1915.

SIR,—I am directed to acknowledge the receipt of your letter of March, 10, and to state that the Resolution on the subject of the proposed Tuberculosis Hospital, to be proposed by yourself and seconded by Dr. Goode, will be published in due course on March 18. The Council appreciates the interest which you are taking in this discussion and I shall address you later on the subject of the Council's official support of your proposal.

I am, Sir,
Your obedient servant,
W. E. LEVESON,
Secretary.

H. C. PATRICK, Esq. M.B., C.M.

Council Room,
Shanghai, March 17, 1915.

SIR,—In continuation of my letter of March 13 I am directed to state that your Resolution on the subject of the Tuberculosis Hospital, No V *(a)*, will receive the unanimous support of the Council at the Annual Meeting of Ratepayers on Monday next.

I am, Sir,
Your obedient servant,
W. E. LEVESON,
Secretary.

H. C. PATRICK, Esq., M.B., C.M.

Electricity Department.

REPORT BY THE ELECTRICAL ENGINEER

Electricity Offices,
March 17, 1915.

A report dealing with the working of the Department and the need for further extension cannot easily be written without going into technicalities. In reading such a report the main points

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which it is desired to bring out may quite possibly be missed amongst the numerous technical terms and figures. In an endeavour to state the Department's case briefly the following three observations are offered :—

(1) How do the Ratepayers benefit by the ownership of the Undertaking?

(2) What further benefits may reasonably be looked for by allowing the natural expansion of the business to develop?

(3) Is the Department self-supporting?

With regard to (1) the benefit of ownership has been the means of providing Shanghai with a cheap source of electricity for light, heat, power. The price for these various uses has from time to time been reduced so that now the cost of electricity for any of these compares favourably with the industrial cities in Great Britain. The price of light in Manchester, Glasgow, Birmingham and Liverpool is, according to information available in the Manual of Electrical Undertakings 1913-14.

	Domestic Lighting		*Power (not bulk supply)*
Manchester	3.75d. to 3d.	per unit.	1.5d. to .72d.
Glasgow	3d.	"	1.5d. to 75d.
Birmingham	4d. to 2d.	"	1.35d. to 70d.
Liverpool	3½d.	"	2d. to 70d.
Shanghai	3d.	"	1d. to 75d.

Lighting 10 tael cents. Power 3.5 to 2.5 tael cents. } @ Exchange 2/6

These figures clearly indicate that Shanghai is getting its electricity at rates comparing favourably with the four largest Home undertakings. It is possible that the rates of the Home undertakings may at the present time (1915) be slightly reduced but as the actual figures are not yet available the latest obtainable, 1913, are quoted.

(2) What further benefits may be expected by allowing the natural expansion of the undertaking to develop?

As the undertaking grows larger, the generation of electricity carried on on a bigger scale, and the general supply for various purposes more diverse, so should the cost of generation and distribution per unit sold be cheaper. In spite of heavy capital expenditure and large extensions every few years the effect has never been to add one cent to the cost of electricity, and there is no fear that it will be in the future. Shanghai's electricity supply is going through the transition stage from small to great extensions; it is but following the example of the four cities above cited. Manchester, Glasgow and Birmingham are each on the eve of extensions never before undertaken on so large a scale in Great Britain. Manchester's scheme will ultimately cost over a million and a half sterling and will provide a new Generating Station of 160,00 kilowatts capacity. As indicating Birmingham's needs, the Corporation recently authorised the purchase of £95,000 worth of generating plant for a temporary station to meet the 19.5-16 requirements because their new station cannot be completed before 1917. These observations are offered because they may show the bold way the electricity supply problems are now being tackled by municipalities in England, and it is submitted that Shanghai's problem is, although not on such a large scale, similar to the Home undertakings.

Looking at the issue from another standpoint. In 1913 the sum of Tls. 26.525 was handed from the Departments profits in aid of the municipal rates, the following year Tls. 30,255. this (915) year the contribution will be about 34,400, in 1916 Tls 39.000, 19.7 Tls. 55,000 and so on increasing yearly. In may thus be seen that, quite apart from the users of electricity, the community as a whole stands to gain by progressive contributions to the rates from year to year.

It may further be conceded that the industrial growth of Shanghai, accelerated by cheap power, will open out fresh fields for the tax gatherer, thereby bringing in more revenue for the municipal funds. Moreover the creation of new industries and the expansion of existing ones will in turn demand more labour which has to be housed, and so the rateable area of the Settlement may be expected to increase. This has actually happened already in some districts and signs are evident in many localities that the movement is general.

A growth of population may be expected with the industrial activities of the place, and so also its spending powers; it would, therefore, seem fair to anticipate that the source from which general municipal revenue may flow will likewise be enlarged to the common good.

The view is held by many eminent engineers that the time is approaching when the use of electricity will become general not only for power and lighting, but for domestic heating and cooking. When this condition arrives the proportion of electricity used purely for lighting will become relatively small. In fact it is thought that the extensive use of current for other purposes will make it possible to sell it at a uniform rate for light and heat, when the cost of electric lighting will form but a small percentage of the quarterly account for domestic electricity used. That time is not yet, but the more general adoption of electricity for various other purposes is beginning to make itself felt, and it may confidently be said that the price of lighting may be again reduced in the near future There are technical reasons for the foregoing statements which it is not necessary to deal with here.

(3) Is the Department self-supporting?

It is to be feared that there are still some who believe the electricity undertaking to be dependent upon the municipal rates. As a matter of fact it can be shewn that the undertaking has—certainly for the past fifteen years—been entirely self-supporting. Not only has a steady 6 per cent. interest been paid on debentures out of profits, but an amount set aside for depreciation year by year which, compared with the rates of depreciation allowed in Home undertakings, is on a much more liberal scale. And here, it should be noted, that depreciation scale on the different items such as buildings, generating machinery, cables, transformers, etc., is absolutely fixed and is not varied according to whether the year's working account shews larger or smaller profits, a method which is not unknown to some local industrial concerns. This strict adhesion to the principle of fixed depreciation has greatly strengthened the financial position of the undertaking in the past and should go far to remove any suspicion that its financial standing is unsound. As a further indication of strength may be mentioned the capital requirements for 1915-1916 which total altogether approximately Tls. 3 737,000. To meet this sum it is estimated that no less than Tls. 1,267,000 will be available from the profit and depreciation allowance on the two years' working, leaving Tls. 2,470,000 to be provided by loan. In other words the two years' profits and depreciation reduces the necessary capital to provide for extensions to the extent of Tls. 1,267,000.

In conclusion, too much stress cannot be laid upon two salient features in the Department's history during the past twelve years, viz., (a) that no extensions of plant have been made until the growing demands have made such extensions imperative in order to meet requirements from time to time, (b) that these successive extensions have invariably been completed only just in time to meet the demands, and (c) the undertaking has at almost all times been short of generating plant rather than possessing too much reserve, the reason being that unavoidable delays in the fulfilment of plant contracts have almost invariably led to the extensions being rather behind than in advance of the demands.

With regard to the present proposed extensions they are on a scale much bigger than any hitherto attempted but they have been recommended only after full consideration has been given as to their need. The number of years' experience to go upon together with the Department's close touch upon the pulse of electrical development in Shanghai, places it in a position to know when and to what extent extensions are advisable. A postponement of the proposed scheme will seriously jeopardise the undertaking. If the scheme is approved and orders for the plant, buildings, cables, etc, be placed as soon as possible it is probable that a section, if not the whole, of the plant may be obtained and put into service in the autumn of next year. It is thought that at least enough may be in service to tide over the winter demand of 19 6 even if a sufficiency of spare plant is not then available. The engineering works in Great Britain are now very full of orders for war material, therefore unusual delay may have to be looked for in getting some sections of the plant built; deliveries may be bad owing to the abnormal conditions existing. These are considered additional reasons for placing contracts with as little delay as possible.

If the suggestion that the question of future extensions be postponed until the financial results of nine months ending September next be adopted it will be November before these result are ascertained. All idea of having sufficient

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plant to meet the 1916 demands would then have to be abandoned as it would be quite impossible to prepare foundations, to obtain the steelwork for and to erect the buildings, and far less likelihood would there be of getting the generating plant. The adoption of such a policy would place the Department in the position of being unable to fulfil its obligations to existing and prospective consumers. It would mean refusing further connexions for light or power this year, a retrograde step which it would take many years to recover from.

Admitting the unsettled political state, and assuming that developments in Shanghai should mark time, and that on this account the new extensions prove to be somewhat in advance. It is difficult to imagine that the prosperity of Shanghai will be but more than temporarily set back, and if such be true the electricity undertaking will be in a position to meet the renewed industrial activity which may be expected to follow. It is true that a large amount of additional capital would for the time being lie unremunerative, but that would appear to be less serious than the alternative of plant shortage which postponement involves. The numerous local industries now entirely dependent upon electric power ought to be considered in connexion with the proposed scheme.

On the other hand there are many who think that the present European crisis will not affect local industries and that these will continue to flourish. If these views are correct then the reasons for getting ahead with the extensions at the earliest moment become conclusive.

T. H. U. ALDRIDGE,
Electrical Engineer.

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